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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

AUTHORIZING THE ISSUANCE OF BONDS, REFUNDING BONDS AND TEMPORARY NOTES IN THE TOTAL AGGREGATE OF THIRTY MILLION DOLLARS (\$30,000,000) FOR THE CULTURAL ARTS AND ECONOMY PROGRAM OF THE STATE

Introduced By: Senators Goodwin, Paiva Weed, DaPonte, Felag, and Picard

Date Introduced: March 18, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Proposition to be submitted to the people. -- At the general election to be  
2 held on the Tuesday next after the first Monday in November 2014, there shall be submitted to  
3 the people for their approval or rejection the following proposition:

4 “Shall the action of the general assembly, by an act passed at the January 2014 session,  
5 authorizing the issuance of bonds, refunding bonds, and temporary notes of the state in the  
6 amount of Thirty Million dollars (\$30,000,000) for the purpose of providing 1:1 matching grants  
7 to fund capital improvements for cultural facilities, including, but not limited to, acquisition,  
8 remediation, design, construction, restoration, renovation, fire code upgrades, energy efficiency  
9 upgrades, accessibility improvements, landscaping, furnishing, equipping and completion of  
10 facilities for the performing arts to be allocated as provided below, be approved, and the issuance  
11 of bonds, refunding bonds, and temporary notes authorized in accordance with the provisions of  
12 said act?”

13 1. Trinity Repertory Company – For the Lederer Theater and the Pell Chafee  
14 Performance Center, both in Providence, used for performance facilities, educational instruction,  
15 production and administration, including reimbursements of advances of up to \$1,500,000  
16 expended for ongoing fire code upgrades \$5,271,000

17 2. Rhode Island Philharmonic – for the Carter Center for Music Education and  
18 Performance in East Providence, used for music teaching, learning, performance and

1	administration	\$5,271,000
2	3. Newport Performing Arts Center – for the Opera House in Newport for use as a multi-	
3	cultural performing arts and educational facility	\$4,216,800
4	4. United Theater/Westerly Land Trust – for the United Theater in Westerly for use as	
5	space for performing arts, fine arts showcase, arts instruction, cinema, public television station	
6	and program administration	\$2,369,440
7	5. The Chorus of Westerly – for the George Kent Performance Hall in Westerly for music	
8	and arts performance, teaching and rehearsal space, administrative and community function space	
9		\$1,054,200
10	6. The Stadium Theater Conservatory in Woonsocket – for set construction, costuming,	
11	rehearsal, voice, acting and dance studios and administrative spaces	\$2,108,400
12	7. 2nd Story Theater – for performance venues in Warren, including concessions	
13	studio/classroom space, set construction shop and administrative offices	\$1,054,200
14	8. AS220 – for AS220's facilities in downtown Providence used for performing arts,	
15	dance studio, youth and adult education, gallery and artist live/work space	\$2,108,400
16	9. WaterFire Providence – to develop a 27,000 square foot historic warehouse in the	
17	Valley/Olneyville neighborhood into its headquarters, multi-use community arts center, visitor	
18	center, education center and arts and creative industries incubator	\$3,162,600
19	10. Other funds to be allocated by RISCA for 1:1 matching grants to be allocated by the	
20	Rhode Island State Council on the Arts to 501(c)(3) nonprofit cultural organizations which lease	
21	or own their performance space, and for RISCA’s expenses in administering the program. In	
22	awarding such grants RISCA shall take into account financial need, the availability or actual	
23	expenditure of matching funds for the projects, available gifts or grants for projects, the amount	
24	square footage to be improved, the geographical location and characteristics of audiences	
25	benefitted.	\$3,383,960

26 SECTION 2. [Ballot labels and applicability of general election laws.](#) -- The secretary  
27 of state shall prepare and deliver to the state board of elections ballot labels for the project  
28 provided for in Section 1 hereof with the designations "approve" or "reject" provided next to the  
29 description of such project to enable voters to approve or reject such proposition. The general  
30 election laws, so far as consistent herewith, shall apply to this proposition.

31 SECTION 3. [Approval of project by people.](#) -- If a majority of the people voting on the  
32 proposition provided for in Section 1 hereof shall vote to approve the proposition provided for in  
33 Section 1 hereof, said project shall be deemed to be approved by the people. The authority to  
34 issue bonds, refunding bonds and temporary notes of the state shall be limited to the aggregate

1 amount for all such projects as set forth in the proposition provided for in Section 1 hereof which  
2 has been approved by the people.

3 SECTION 4. Bonds for Cultural Arts and Economy Program. -- The general  
4 treasurer is hereby authorized and empowered with the approval of the governor and in  
5 accordance with the provisions of this act, to issue from time to time cultural arts and economy  
6 program bonds in serial form in the name and on behalf of the state in amounts as may be  
7 specified from time to time by the governor in an aggregate principal amount not to exceed the  
8 total amount for the project approved by the people and designated as "cultural arts and economy  
9 program bonds"; provided, however, that the aggregate principal amount of such cultural arts and  
10 economy program bonds and of any temporary notes outstanding at any one time issued in  
11 anticipation thereof pursuant to Section 7 hereof shall not exceed the total amount for such  
12 project as has been approved by the people. All provisions in this act relating to "bonds" shall  
13 also be deemed to apply to "refunding bonds".

14 Such cultural arts and economy program bonds issued under this act shall be in  
15 denominations of one thousand dollars (\$1,000) each, or multiples thereof, and shall be payable  
16 in any coin or currency of the United States which at the time of payment shall be legal tender for  
17 public and private debts. These cultural arts and economy program bonds shall bear such date or  
18 dates, mature at specified time or times, but not beyond the end of the twentieth state fiscal year  
19 following the state fiscal year in which they are issued, bear interest payable semi-annually at a  
20 specified rate or different or varying rates, be payable at designated time or times at specified  
21 place or places, be subject to expressed terms of redemption or recall, with or without premium,  
22 be in a form, with or without interest coupons attached, carry such registration, conversion,  
23 reconversion, transfer, debt retirement, acceleration and other provisions as may be fixed by the  
24 general treasurer, with the approval of the governor, upon each issue of such cultural arts and  
25 economy program bonds at the time of each issue. Whenever the governor shall approve the  
26 issuance of such cultural arts and economy program bonds, he or she shall certify approval to the  
27 secretary of state; the bonds shall be signed by the general treasurer and countersigned by the  
28 manual or facsimile signature of the secretary of state and shall bear the seal of the state or a  
29 facsimile thereof. The approval of the governor shall be endorsed on each bond so approved with  
30 a facsimile of his or her signature.

31 SECTION 5. Refunding bonds for cultural arts and economy program. -- The  
32 general treasurer is hereby authorized and empowered, with the approval of the governor and in  
33 accordance with the provisions of this act, to issue from time to time bonds to refund the bonds in  
34 the name and on behalf of the state, in amounts as may be specified from time to time by the

1 governor in an aggregate principal amount not to exceed the total amount approved by the people,  
2 to be designated as "cultural arts and economy program refunding bonds" (hereinafter "refunding  
3 bonds").

4 The general treasurer, with the approval of the governor, shall fix the terms and form of  
5 any refunding bonds issued under this act in the same manner as the cultural arts and economy  
6 program bonds issued under this act, except that the refunding bonds may not mature more than  
7 twenty (20) years from the date of original issue of the cultural arts and economy program bonds  
8 being refunded.

9 The proceeds of the refunding bonds, exclusive of any premium and accrual interest and  
10 net the underwriters' cost, and cost of bond insurance, shall, upon their receipt, be paid by the  
11 general treasurer immediately to the paying agent for the cultural arts and economy program  
12 bonds which are to be called and prepaid. The paying agent shall hold the refunding bond  
13 proceeds in trust until they are applied to prepay the cultural arts and economy program bonds.  
14 While such proceeds are held in trust, they may be invested for the benefit of the state in  
15 obligations of the United States of America or the state of Rhode Island.

16 If the general treasurer shall deposit with the paying agent for the cultural arts and  
17 economy program bonds the proceeds of the refunding bonds or proceeds from other sources  
18 amounts that, when invested in obligations of the United states or the State of Rhode Island, are  
19 sufficient to pay all principal, interest, and premium, if any, on the cultural arts and economy  
20 program bonds until these bonds are called for prepayment, then such cultural arts and economy  
21 program bonds shall not be considered debts of the state of Rhode Island for any purpose from  
22 the date of deposit of such moneys with the paying agent. The refunding bonds shall continue to  
23 be a debt of the state until paid.

24 The term "bond" shall include "note", and the term "refunding bonds" shall include  
25 "refunding notes" when used in this act.

26 SECTION 6. Proceeds of cultural arts and economy program. -- The general  
27 treasurer is directed to deposit the proceeds from the sale of cultural arts and economy program  
28 bonds issued under this act, exclusive of premiums and accrued interest and net the underwriters'  
29 cost, and cost of bond insurance, in one or more of the depositories in which the funds of the state  
30 may be lawfully kept in special accounts (hereinafter cumulatively referred to as "such cultural  
31 arts and economy program bond fund") appropriately designated for the project set forth in  
32 Section 1 hereof which shall have been approved by the people to be used for the purpose of  
33 paying the cost of such project so approved.

34 All monies in the cultural arts and economy program bond fund shall be expended for the

1 purposes specified in the proposition provided for in Section 1 hereof under the direction and  
2 supervision of the Rhode Island State Council on the Arts (hereinafter referred to as "RISCA").  
3 RISCA shall be vested with all power and authority necessary or incidental to the purposes of  
4 section 1, including, but not limited to, the following authority: (a) to make grants to finance  
5 capital improvements for cultural facilities; (b) to make grants for the preparation of any reports,  
6 plans and specifications, build out expenses and other costs such as for furnishings, equipment,  
7 designing, inspecting and engineering, required in connection with the implementation of any  
8 portion of the project set forth in section 1 hereof; (c) to make grants for the costs of construction,  
9 rehabilitation, enlargement, provision of utilities, and other improvements to real estate in  
10 connection with the implementation of the project set forth in section 1 hereof; and (d) to make  
11 grants for the costs of equipment, supplies, devices, materials and labor for repair, renovation or  
12 conversion of structures as necessary for the Cultural Arts and Economy Grant Program. No  
13 funds shall be expended in excess of the amount designated for each portion of the project  
14 authorized in Section 1 hereof.

15 SECTION 7. **Sale of bonds and notes.** -- Any bonds or notes issued under the authority  
16 of this act shall be sold from time to time at not less than the principal amount thereof, in such  
17 mode and on such terms and conditions as the general treasurer, with the approval of the  
18 governor, shall deem to be for the best interests of the state.

19 Any premiums and accrued interest, net of the cost of bond insurance and underwriters  
20 discount, that may be received on the sale of the cultural arts and economy program bonds or  
21 notes shall become part of the Rhode Island Capital Fund of the state, unless directed by federal  
22 law or regulation to be used for some other purpose.

23 In the event that the amount received from the sale of the cultural arts and economy  
24 program bonds or notes exceeds the amount necessary for the purposes stated in Section 6 hereof,  
25 the surplus may be used to the extent possible to retire the bonds as the same may become due, to  
26 redeem them in accordance with the terms thereof or otherwise to purchase them as the general  
27 treasurer, with the approval of the governor, shall deem to be for the best interests of the state.

28 Any bonds or notes issued under the provisions of this act and coupons on any cultural  
29 arts and economy program bonds, if properly executed by the manual or facsimile signatures of  
30 officers of the state in office on the date of execution shall be valid and binding according to their  
31 tenor, notwithstanding that before the delivery thereof and payment therefor, any or all such  
32 officers shall for any reason have ceased to hold office.

33 SECTION 8. **Bonds and notes to be tax exempt and general obligations of the state.-**  
34 All bonds and notes issued under the authority of this act shall be exempt from taxation in the

1 state and shall be general obligations of the state, and the full faith and credit of the state is hereby  
2 pledged for the due payment of the principal and interest on each of such bonds and notes as the  
3 same shall become due.

4 SECTION 9. Investment of monies in fund. -- All moneys in the cultural arts and  
5 economy program fund not immediately required for payment pursuant to the provisions of this  
6 act may be invested by the investment commission, as established by chapter 35-10, pursuant to  
7 the provisions of such chapter; provided, however, that the securities in which the cultural arts  
8 and economy program fund is invested shall remain a part of the cultural arts and economy  
9 program fund until exchanged for other securities; and provided further, that the income from  
10 investments of the cultural arts and economy program fund shall become a part of the general  
11 fund of the state and shall be applied to the payment of debt service charges of the state, unless  
12 directed by federal law or regulation to be used for some other purpose, or to the extent  
13 necessary, to rebate to the United States treasury any income from investments (including gains  
14 from the disposition of investments) of proceeds of bonds or notes to the extent deemed necessary  
15 to exempt (in whole or in part) the interest paid on such bonds or notes from federal income  
16 taxation.

17 SECTION 10. Appropriation. -- To the extent the debt service on these bonds is not  
18 otherwise provided, a sum sufficient to pay the interest and principal due each year on bonds and  
19 notes hereunder is hereby annually appropriated out of any money in the treasury not otherwise  
20 appropriated.

21 SECTION 11. Advances from general fund. -- The general treasurer is authorized from  
22 time to time with the approval of the director and the governor, in anticipation of the issue of  
23 notes or bonds under the authority of this act, to advance to the cultural arts and economy  
24 program bond fund for the purposes specified in Section 6 hereof, any funds of the state not  
25 specifically held for any particular purpose; provided, however, that all advances made to the  
26 cultural arts and economy program bond fund shall be returned to the general fund from the  
27 cultural arts and economy program bond fund forthwith upon the receipt by the cultural arts and  
28 economy program fund of proceeds resulting from the issue of notes or bonds to the extent of  
29 such advances.

30 SECTION 12. Federal assistance and private funds. -- In carrying out this act, the  
31 director, or his or her designee, is authorized on behalf of the state, with the approval of the  
32 governor, to apply for and accept any federal assistance which may become available for the  
33 purpose of this act, whether in the form of loan or grant or otherwise, to accept the provision of  
34 any federal legislation therefor, to enter into, act and carry out contracts in connection therewith,

1 to act as agent for the federal government in connection therewith, or to designate a subordinate  
2 so to act. Where federal assistance is made available, the project shall be carried out in  
3 accordance with applicable federal law, the rules and regulations thereunder and the contract or  
4 contracts providing for federal assistance, notwithstanding any contrary provisions of state law.  
5 Subject to the foregoing, any federal funds received for the purposes of this act shall be deposited  
6 in the cultural arts and economy program bond fund and expended as a part thereof. The director  
7 or his or her designee may also utilize any private funds that may be made available for the  
8 purposes of this act.

9 SECTION 13. Effective Date. -- Sections 1, 2, 3, and 13 of this act shall take effect  
10 upon passage. The remaining sections of this act shall take effect if and when the state board of  
11 elections shall certify to the secretary of state that a majority of the qualified electors voting on  
12 the propositions contained in Section 1 hereof have indicated their approval of the project  
13 thereunder.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE ISSUANCE OF BONDS, REFUNDING BONDS AND TEMPORARY  
NOTES IN THE TOTAL AGGREGATE OF THIRTY MILLION DOLLARS (\$30,000,000)  
FOR THE CULTURAL ARTS AND ECONOMY PROGRAM OF THE STATE

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1           This act would provide for a bond referendum which would authorize the issuance of  
2 bonds to provide 1:1 matching grants to fund capital improvements for specified cultural  
3 facilities, including, but not limited to, acquisition, remediation, design, construction, restoration,  
4 renovation, fire code upgrades, energy efficiency upgrades, accessibility improvements,  
5 landscaping, furnishing, equipping and completion of facilities for the performing arts in the  
6 amount of thirty million dollars (\$30,000,000), at the election to be held in November, 2014.

7           Sections 1, 2, 3, and 13 of this act would take effect upon passage. The remaining  
8 sections of this act would take effect if and when the state board of elections certified to the  
9 secretary of state that a majority of the qualified electors voting on the propositions contained in  
10 Section 1 hereof have indicated their approval of the project thereunder.

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